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C O N F I D E N T I A L SARAJEVO 002199

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DEPT FOR EUR/SCE AND L (MANSFIELD); OSD FOR FLORY; NSC FOR
BRAUN

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [KJUS](#) [BK](#)

SUBJECT: BOSNIA - SERB PARTIES SET BACK OUR BRCKO AGENDA

REF: SARAJEVO 1772

Classified By: Ambassador Douglas L. McElhaney. Reasons 1.4(b) and (d)
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11. (SBU) The final pre-election session of the State-level House of Representatives (HoR) took place on September 18. The HoR had been scheduled to take up amendments to the Law on the Council of Ministers (CoM) that would provide a permanent legal basis for the Brcko District Office (BDO) in Sarajevo. We strongly supported passage in order to reinvigorate the U.S.-led Brcko District Working Group, which stalled over the summer after a decision to cut Brcko's share of indirect taxation revenues by the Indirect Taxation Administration's Governing Board (reftel). (Note: The BDO currently operates on the basis of political agreement between Brcko District and the CoM. The Working Group was established at the beginning of 2006 to resolve outstanding issues associated with the status of Brcko in Bosnia. End Note).

12. (SBU) Going into the morning of September 18, we had secured commitments from all the major political parties to support the amendments. Despite this, at the last minute, Deputy Speaker and Alliance of Independent Social Democrat (SNSD) member Nicola Spiric blocked their inclusion on the HoR agenda. (Note: Items cannot be placed on the HoR agenda unless there is consensus within the HoR Collegium, which consists of the Speaker and two Deputy Speakers, or the HoR as a whole approves. End Note). A motion by Deputy Speaker and Party for Democratic Action (SDA) member Sefik Dzaferovic to place the amendments on the agenda failed when the Serb Democratic Party (SDS) joined the SNSD in opposition. SDS MPs told us that they were not prepared to support the motion, if their fellow RS-based party was not.

Comment

13. (C) Parliament's failure to adopt the amendments will complicate the Working Group's September 27-28 meeting. It is also discouraging that SDS and SNSD leaders, including RS PM Milorad Dodik, failed to honor previous commitments to us that they would support the amendments. Spiric seemed almost gleeful about it. Neither party has provided us with a clear, let alone credible, explanation for their actions. Just as disconcerting was the BDO's failure to send a representative to the HoR lobby on Brcko's behalf, which undoubtedly sent the wrong signal about the amendments' importance to Brcko. We were joined only by OHR's officials. BDO officials claim they were unaware the HoR was meeting on

September 18. If true, it strikes us as incompetent. If not, and the BDO was deliberately absent, it may suggest ulterior motives. We know some in Brcko would prefer that the Tribunal settle all outstanding issues related to Brcko's status. It is easier for them to make this argument, if the normal political process is not producing results. We will go back now to the SDS and SNSD to determine what happened.

MCELHANEY